

Looking back at the Financial Markets and the 2022 Annual Report

As **the Stakeholder Body Section RBS**, we very much like to keep our participants informed of recent developments in the financial markets and the impact on Section RBS's investments in the Centraal Beheer APF.

Looking back at the financial markets since February 2023: This period was yet another turbulent time on the financial markets, partly due to the bankruptcy of Silicon Valley Bank and the acquisition of Credit Suisse. We faced several challenges around the world, including ongoing geopolitical tensions, rising interest rates, and renewed volatile equity markets.

Equity markets have experienced significant volatility, driven by various economic indicators, company results and investor sentiment. There were some moments of strong growth in the first half of 2023, but these were also regularly followed by periods of decline. In addition, rising interest rates worldwide have led to a shift in investor investment preferences. Bond markets came under pressure, negatively impacting the returns on our fixed income investments. At the same time, these higher interest rates did offer opportunities for generating future returns. Partly for this reason, our funding ratio rose from 145.5% at the end of December 2022 to 148.4% at the end of June 2023. A funding ratio of 100% means that we have just enough capital to meet all pension obligations, so we have a large buffer to absorb any unforeseen circumstances.

We are pleased to share with you that the 2022 annual report work has been completed and the annual report has been published. It provides a comprehensive overview of performance and financial position throughout the year 2022. Maintaining a balanced and diversified portfolio to minimize risks and capitalize on opportunities has been well executed. During the annual audit process, the actuary and the auditor did not identify any shortcomings.

In the 2022 annual report, the stakeholder body describes its findings on the operation of Section RBS. In 2022 there were no requests for consent or advice that had to be opined on. However, the stakeholder body has ensured that the board properly implements the administration and pension agreements, and the BO gives an opinion on the board's policy in this regard. In 2022, the following points were the subject of discussion between the stakeholder body and the board:

- Inflation expectations and protecting pensions against inflation – the consequences of the energy crisis, developments in the financial markets because of geopolitical instability in the world
- The Future Pensions Act: what will happen from now and will there be an impact for our Section
- The Investment Policy and results of the investments in general

As is also frequently discussed in the press, the Future Pensions Act will become a major change to the pension landscape in the Netherlands. The government has received permission from both chambers to start the implementation from 2023. The new law and system are expected to offer more customization and take more account of the individual situations of participants. However, what exactly the possibilities are for our Section RBS is still unclear. We had a first session with experts from the pension office and agreed to explore together the options with their pros and cons. We will then discuss the conclusions with the board. We will keep you informed through this newsletter.

Finally, all pension funds are required to conduct research among participants into their risk appetite with regards to their pension. Such an investigation will also be carried out for Section RBS, but when

is still uncertain. We will provide you with the results of our investigations and, of course, also take it into account in our work and decision process.

If there are any questions, we encourage everyone to contact us. Even if you need further information, we can always be reached through the available channels.

Amsterdam, June 2023

On behalf of the Stakeholder Body of Section RBS of Centraal Beheer APF

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